

Greater Third Ward

GREATER THIRD WARD (Third Ward, MacGregor, Old Spanish Trail/ South Union, South Park)

1. Key Market Characteristics

This is a strong African American community that is significantly larger in size and buying power than indicated by census or census upgrades. The residential population is 32.5% larger than indicated by Census 2000. In addition to the residential population of 94,000, there is also a very significant daytime population of 28,130. Drill Down average household income is approximately 10.1% over the Claritas projection and aggregate household income of \$1.182 billion is 41.0% larger than the Claritas projection of \$838 million.

2. Size

Residential: The Drill Down revealed a market of 94,000 people and 31,000 documented households. This compares with Census 2000 figures of 71,000 people and 25,000 households.

Density: The fact that only 46.2% of the land is residential in nature contributes to the low residential density of the market: 3.2 households and 9.6 persons per acre.

Employees: There were approximately 2,000 businesses employing over 28,000 people.

3. Change in Market Size

Change in Size: The Drill Down reflects a change in population of 30.2% over Census 1990 figures. This compares with the Census 2000 estimate of 1.8% decrease in market size. This variance is due to two factors:

- While the census captured approximately 25,000 households, The Drill Down revealed 30,200 households in the market to have active documented credit histories. The remaining differential of 1,000 is due to undercounts in both 1990 and 2000.
- **Potential Market Expansion Capacity:** Based on real estate development patterns, current land use and land availability, it is very conservatively projected that the Greater Third Ward market can support the development of approximately 4,000 more units – or 13.1% over the next ten years. This compares with the Claritas projection of a .4% constriction in the market over the next five years.

4. Buying Power

Income: Average household income, adjusted for the cash economy, is \$38,034. When compared with the Census 1990 average household income figure of \$21,423 (adjusted for inflation), the Drill Down average household income figure dramatically outpaces inflation. This is unique to the Greater Third Ward relative to the other Drill Down Markets. Aggregate household income is projected to be approximately \$1.182 billion. This compares with a Claritas average household income figure of \$34,558 and an aggregate income figure of \$838 million and reflects a variance of approximately 10.1% in average income and 41.0% in the aggregate.

The Cash Economy is a significant factor contributing approximately \$117 million or 9.9% to the aggregate household income figure of \$1.182 billion.

Unbanked Households: 35.5% of the households do not have documented banking relationships.

5. Real Estate Activity

Home Values: Based on all recent (2000 and first half 2001) documented single-family sales in the market (344 sales), average sales value was \$92,662,000. When appreciation is measured over the 10-year period, using 2000 sales values and Census 1990 median home values; the rate of appreciation is 63.3%. Additionally, the permit value of newly constructed single-unit properties (196 units between 1994 – 2000) averaged \$82,938.

Owner Occupancy: When measured at a building level, owner-occupancy is 62.6%, when measured at a unit level is only 42.2%. In light of the fact that the Drill Down uncovered approximately 5,000 more occupied housing units than the census, Drill Down owner occupancy at a unit level is less than the census figure (42.2% vs. 51.2%).

6. Market Change Indicators

- Population Growth: 30.2% increase over Census 1990
- Home Value Appreciation: 63.3% over 1990 (based on recent SF sales)
- Vacancy at a unit level: declined from 22.2% in 1990 to 11.1% in 2000 based on census figures
- Owner Occupancy at a building level: 62.6%
- Building Permits: 16.1% of all buildings had permits

7. Risk / Stability Indicators

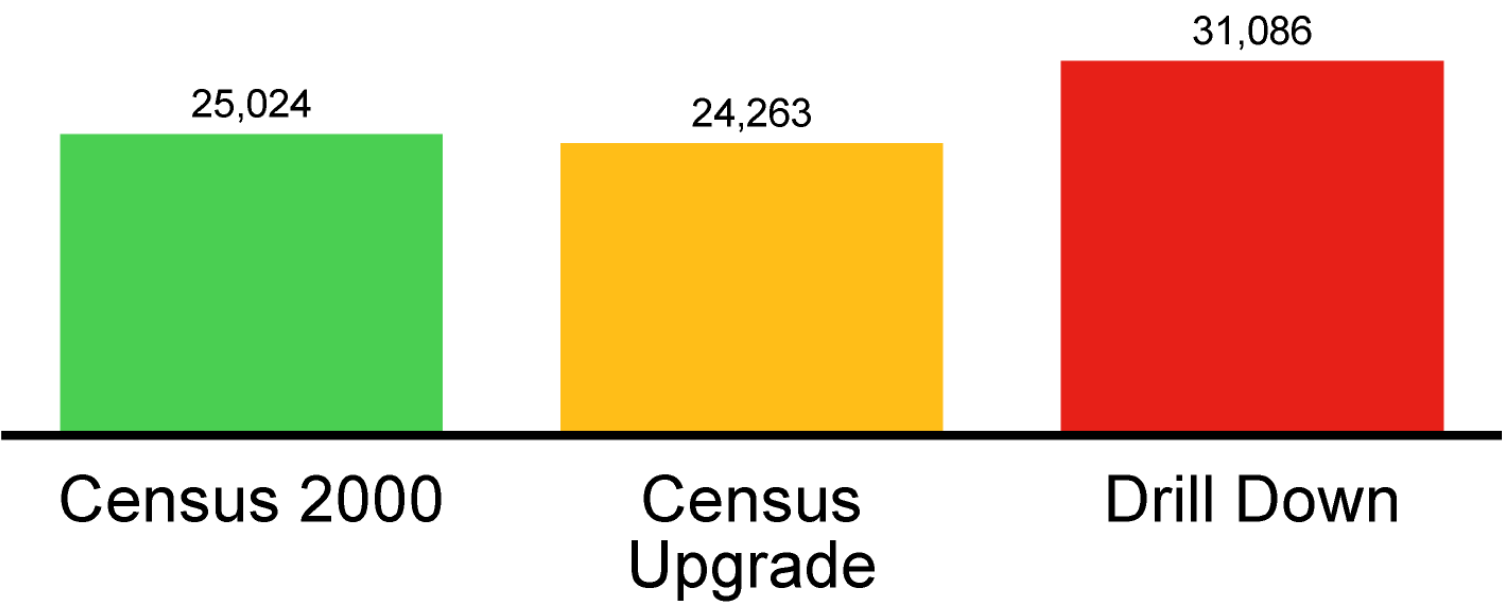
- Crime: All crime decreased 4.1% between 1997 and 2000 to 60.51 incidents per thousand. This compares with 67.42 incidents per thousand for the City of Houston.
- Owner Occupancy –Unit level: 42.2%; Building level: 62.6%
- Vacancy – units: declined from 22.2% in 1990 to 11.1% in 2000 based on Census figures

8. Major surprises and findings dramatically inconsistent with mainstream market research

The Greater Third Ward is a much larger market with far greater income and home values than indicated by the census or Claritas 2001 census upgrades. The Greater Third Ward is also home to a large and growing small business community of 2,000 businesses employing 28,000 plus people and generating almost \$2.9 billion in revenue. Of significance, 71.4% of these businesses have overcome the 3-year survival hurdle.

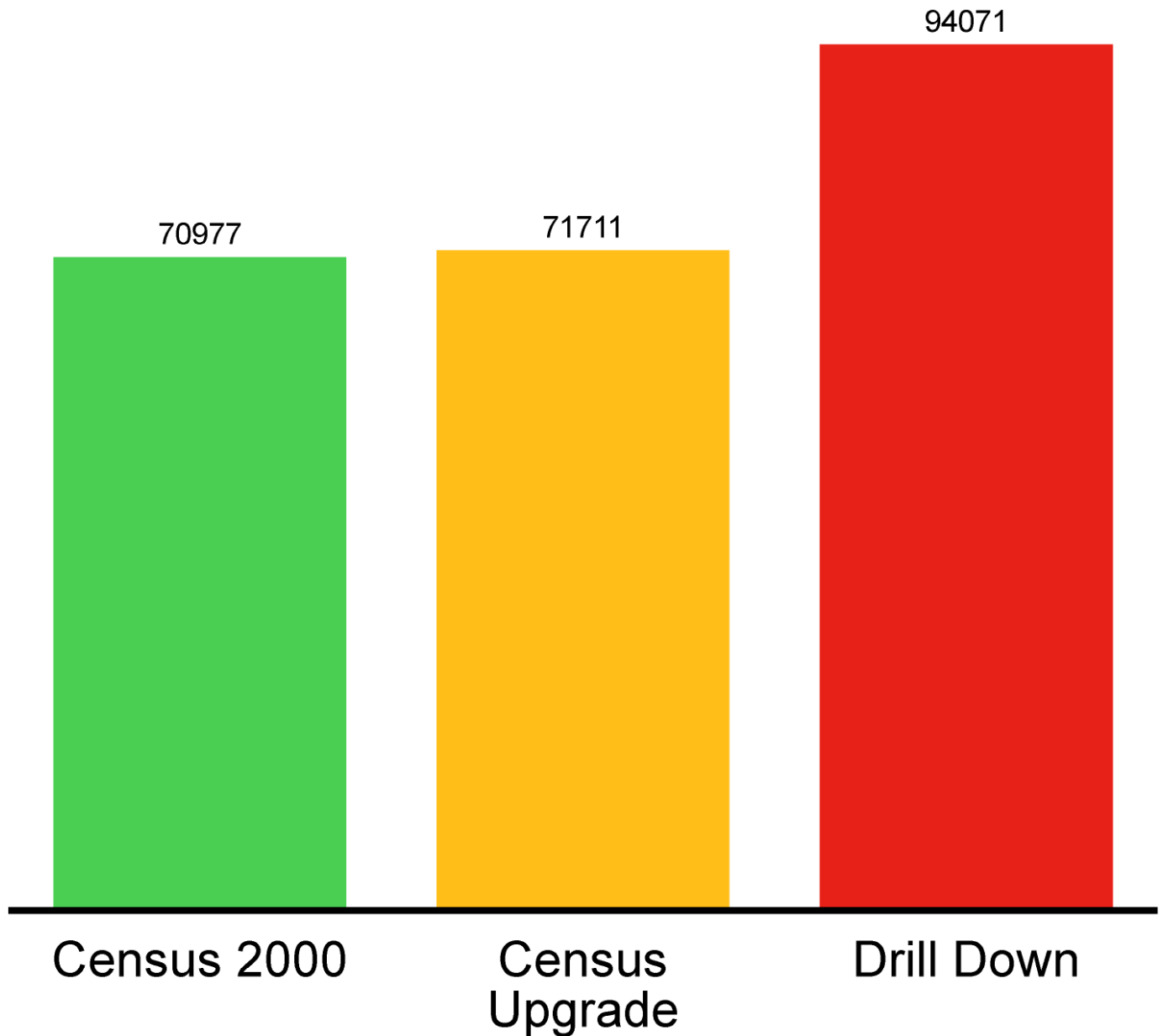
Houston – Greater Third Ward

Number of households



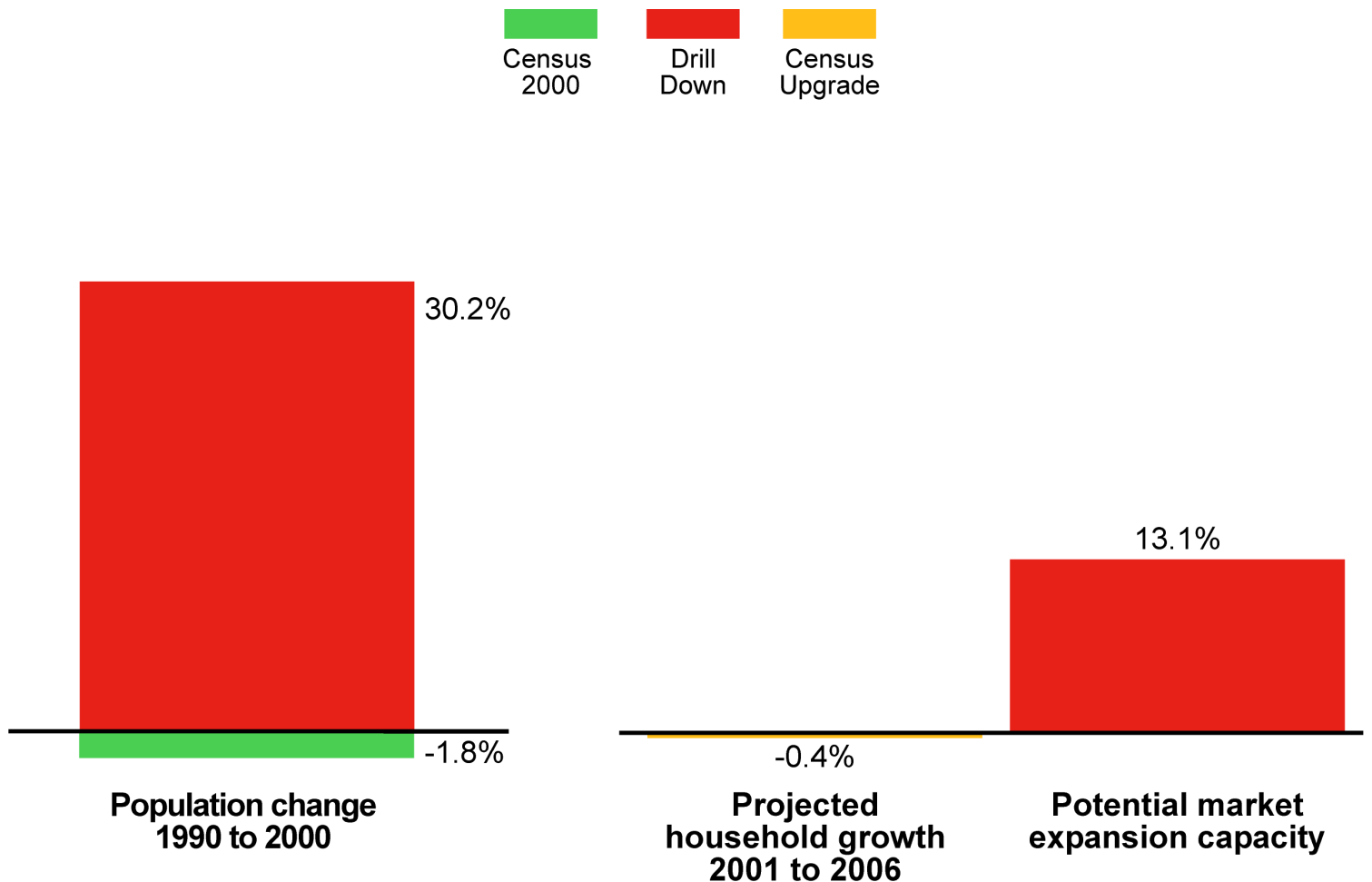
Houston – Greater Third Ward

Population 2000



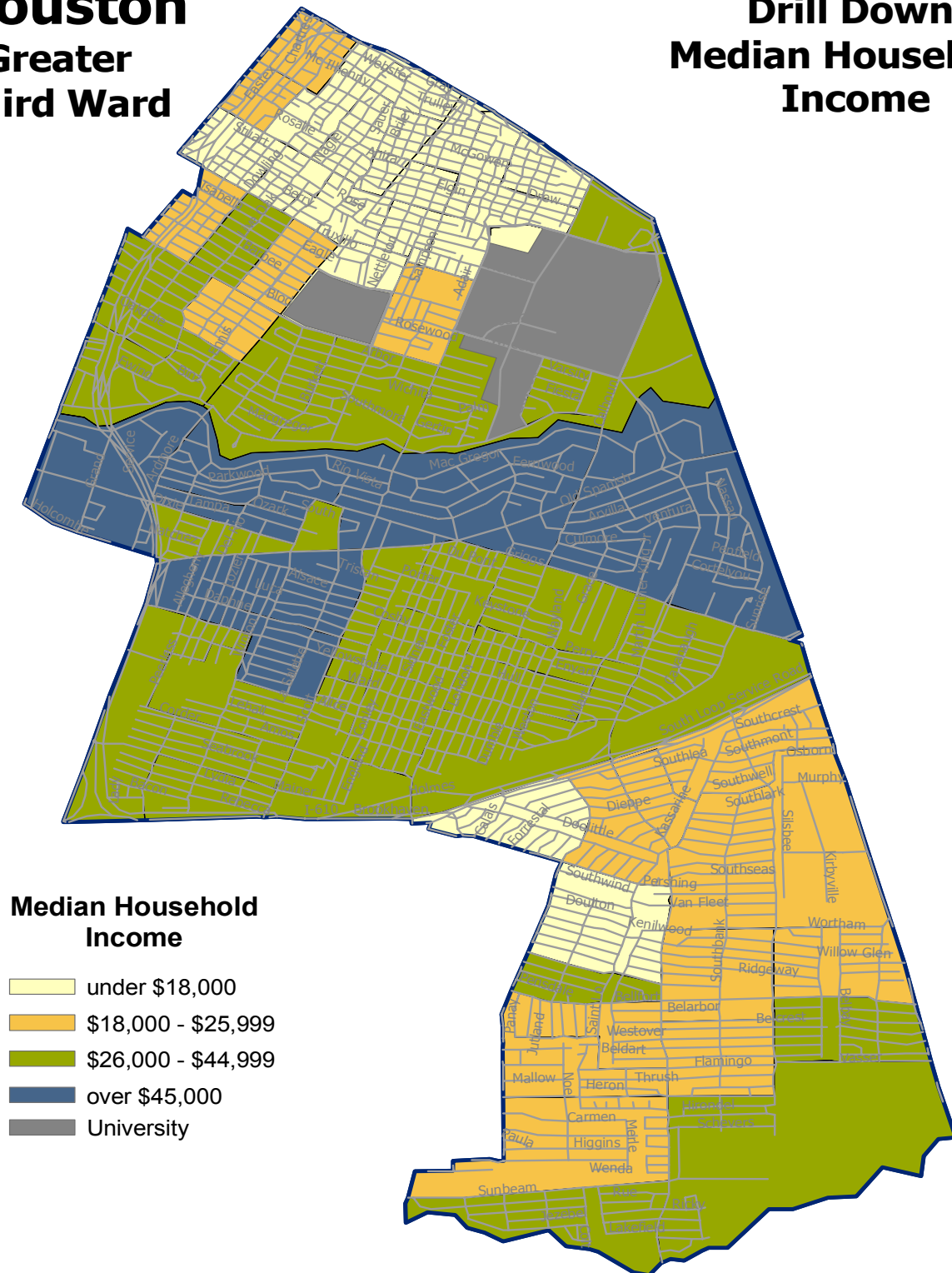
Houston – Greater Third Ward

Change in population (% change 1990 to 2000)



Houston Greater Third Ward

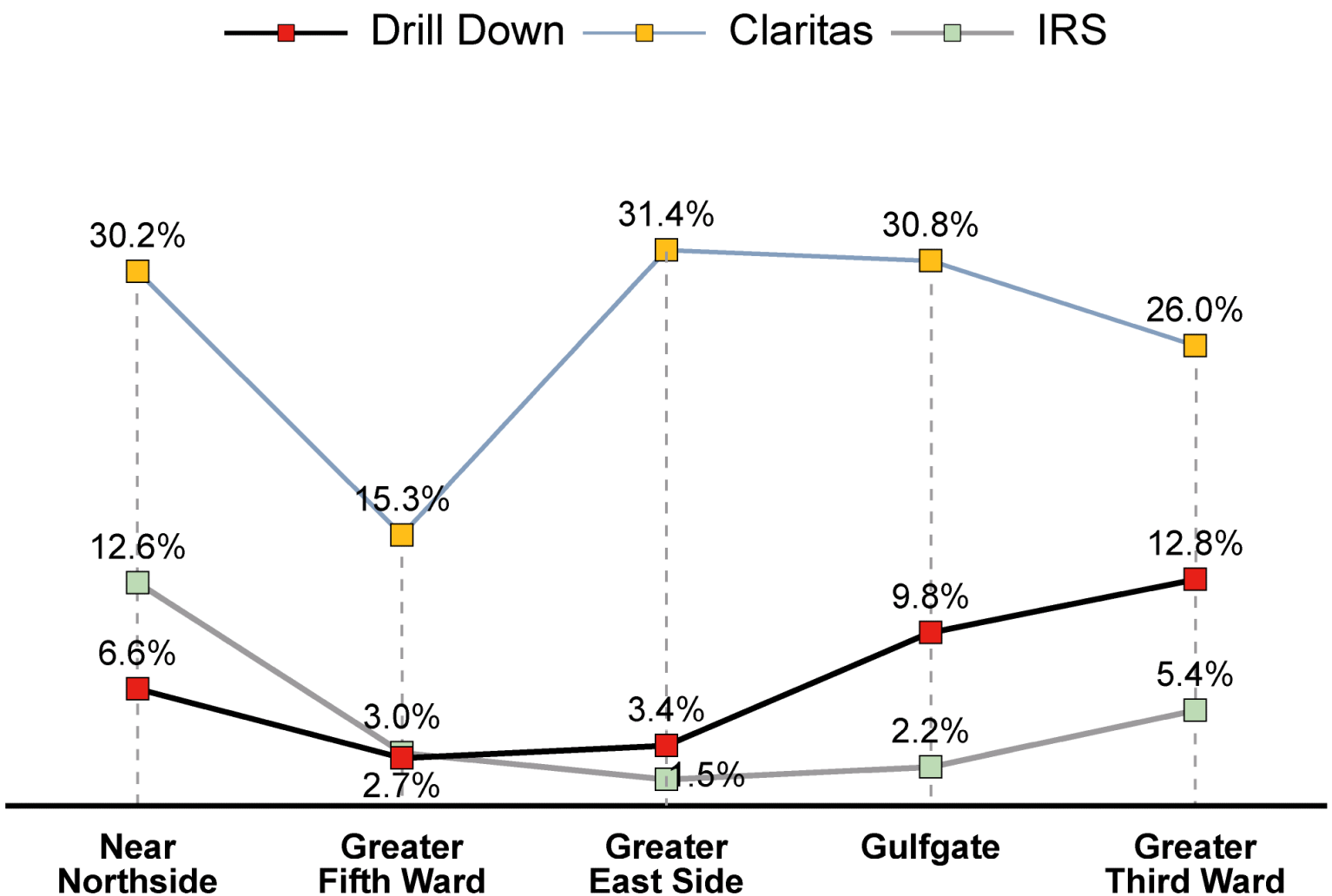
Drill Down Median Household Income



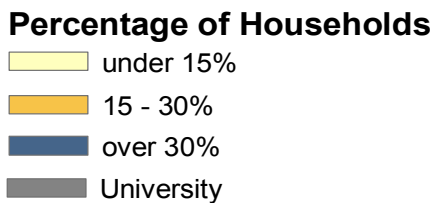
median household income = \$22,444

Houston

Households with incomes over \$50,000 by group



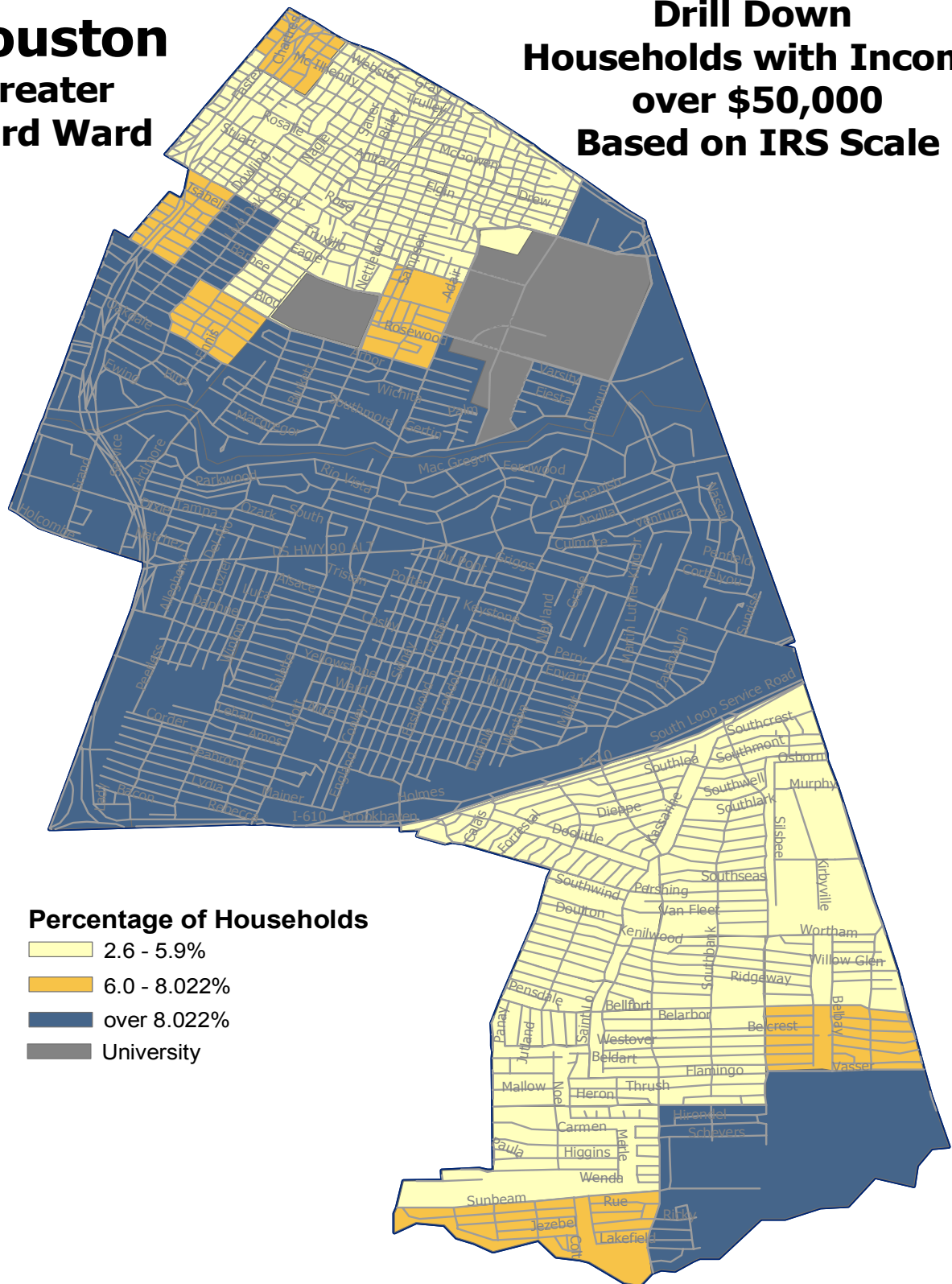
Drill Down Households with Income over \$50,000



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Houston Greater Third Ward

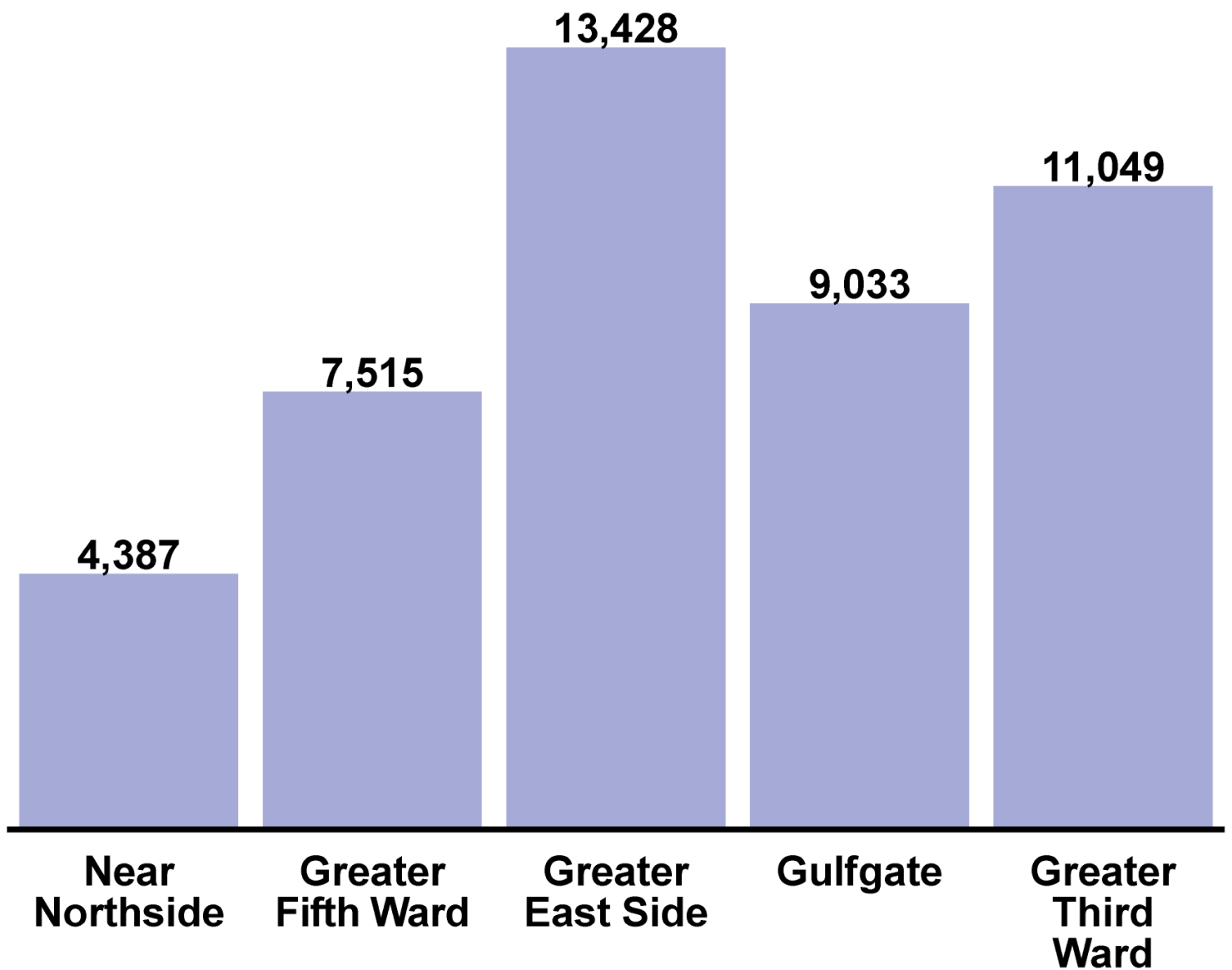
Drill Down Households with Income over \$50,000 Based on IRS Scale



31,086 total households

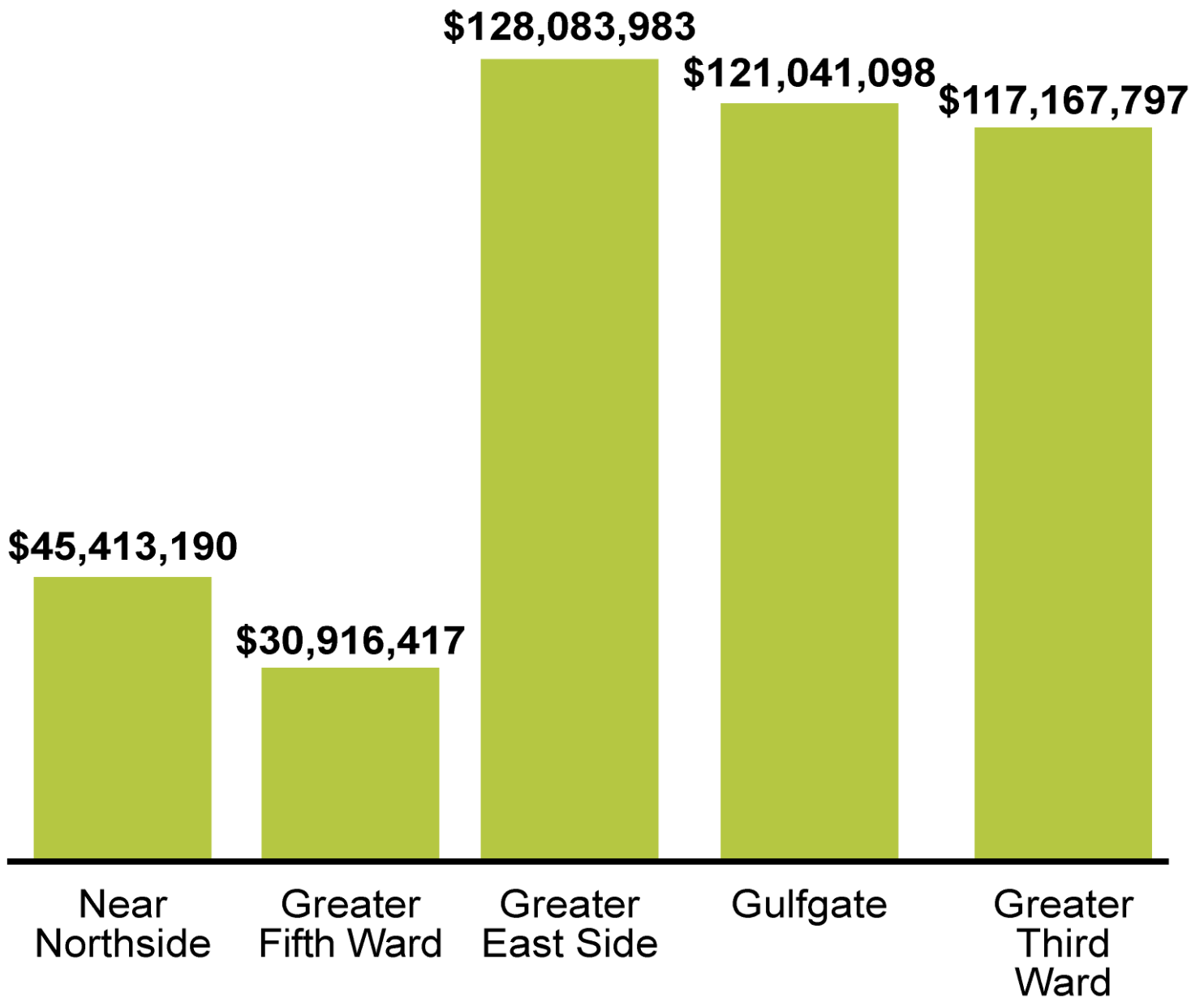
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Households without documented banking relationship by group



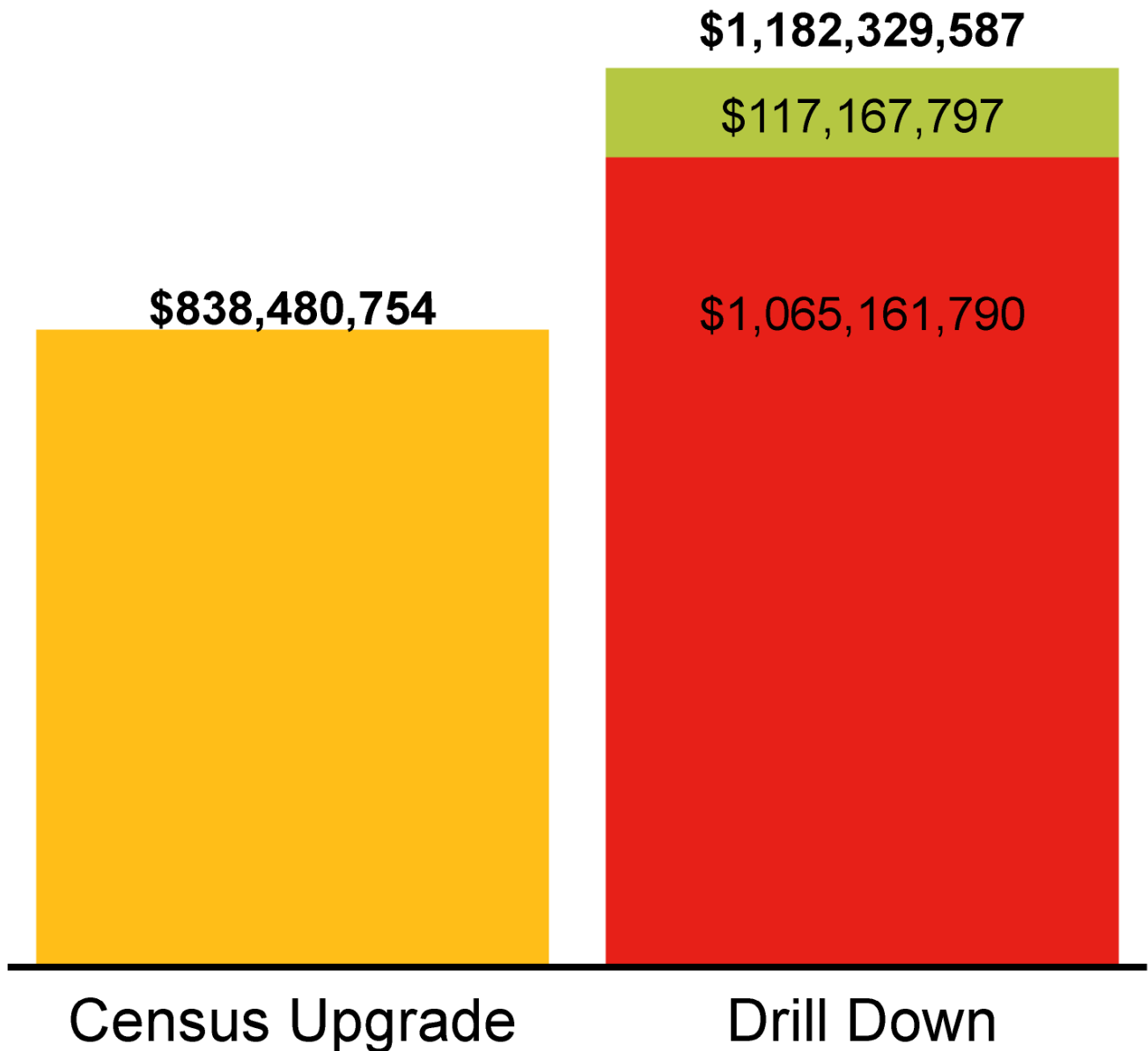
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Cash economy by group

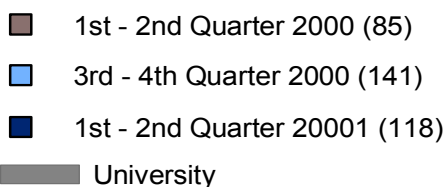


Houston – Greater Third Ward

Aggregate expenditure capacity

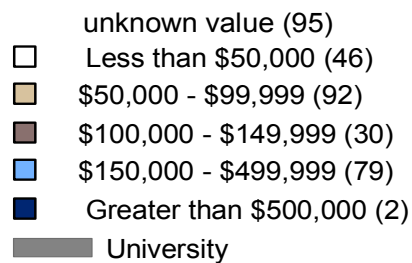


Single Family Home Sales Date Jan 2000 - June 2001



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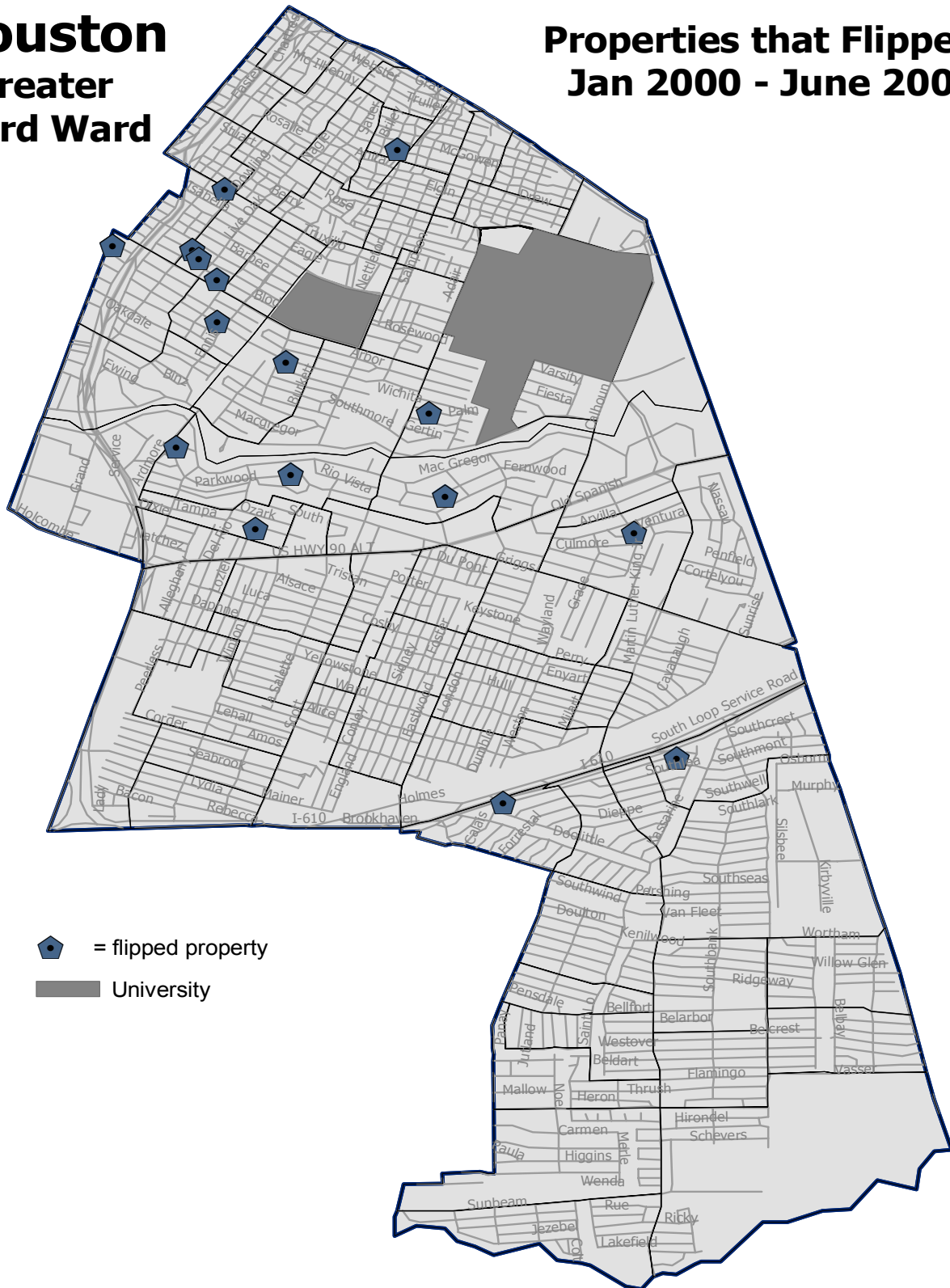
Single Family Home Sales Value Jan 2000 - June 2001



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Houston Greater Third Ward

**Properties that Flipped*
Jan 2000 - June 2001**



🏠 = flipped property

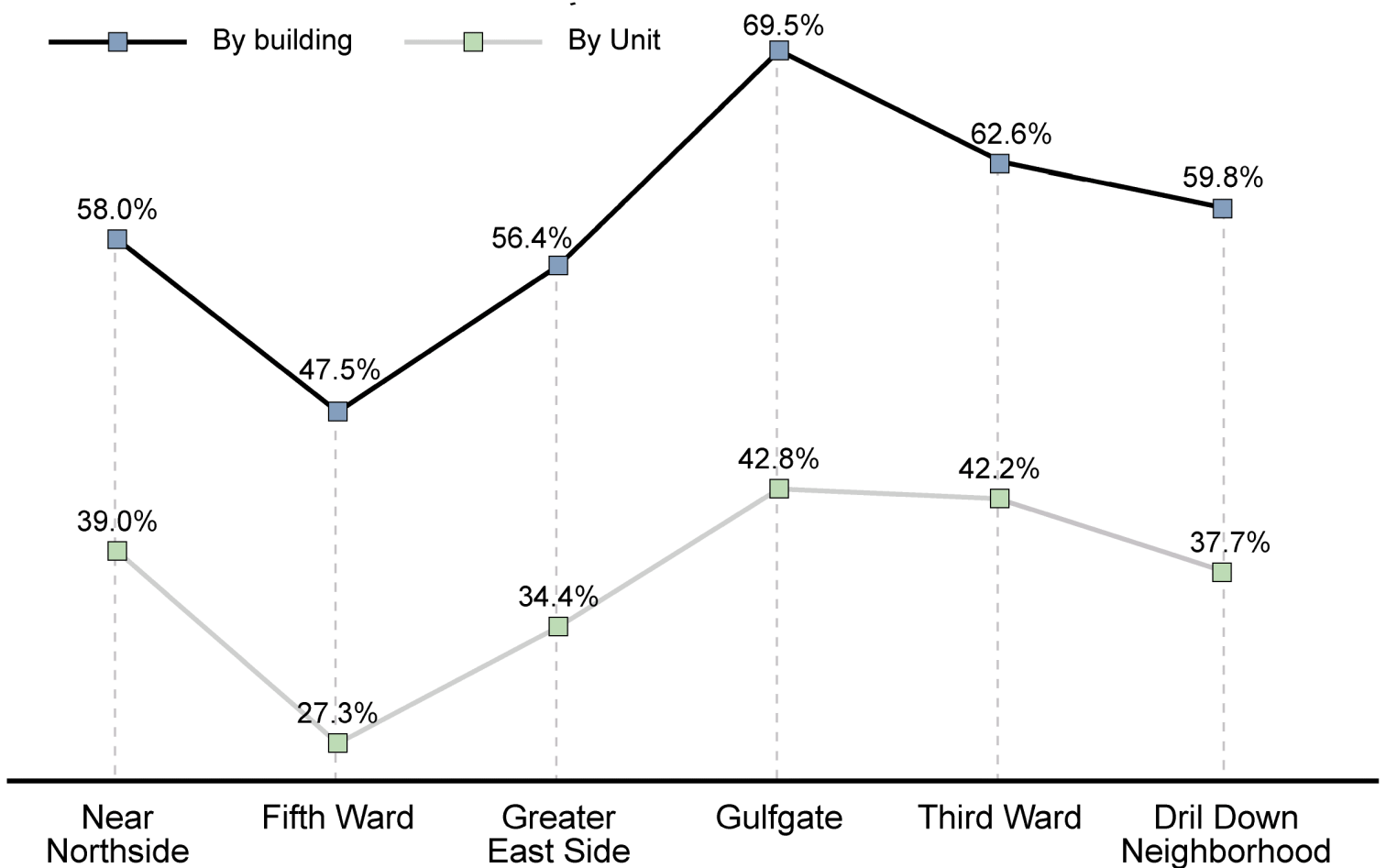
■ University

16 total flipped properties

***a property is flipped when it is purchased and quickly resold for a large profit.**

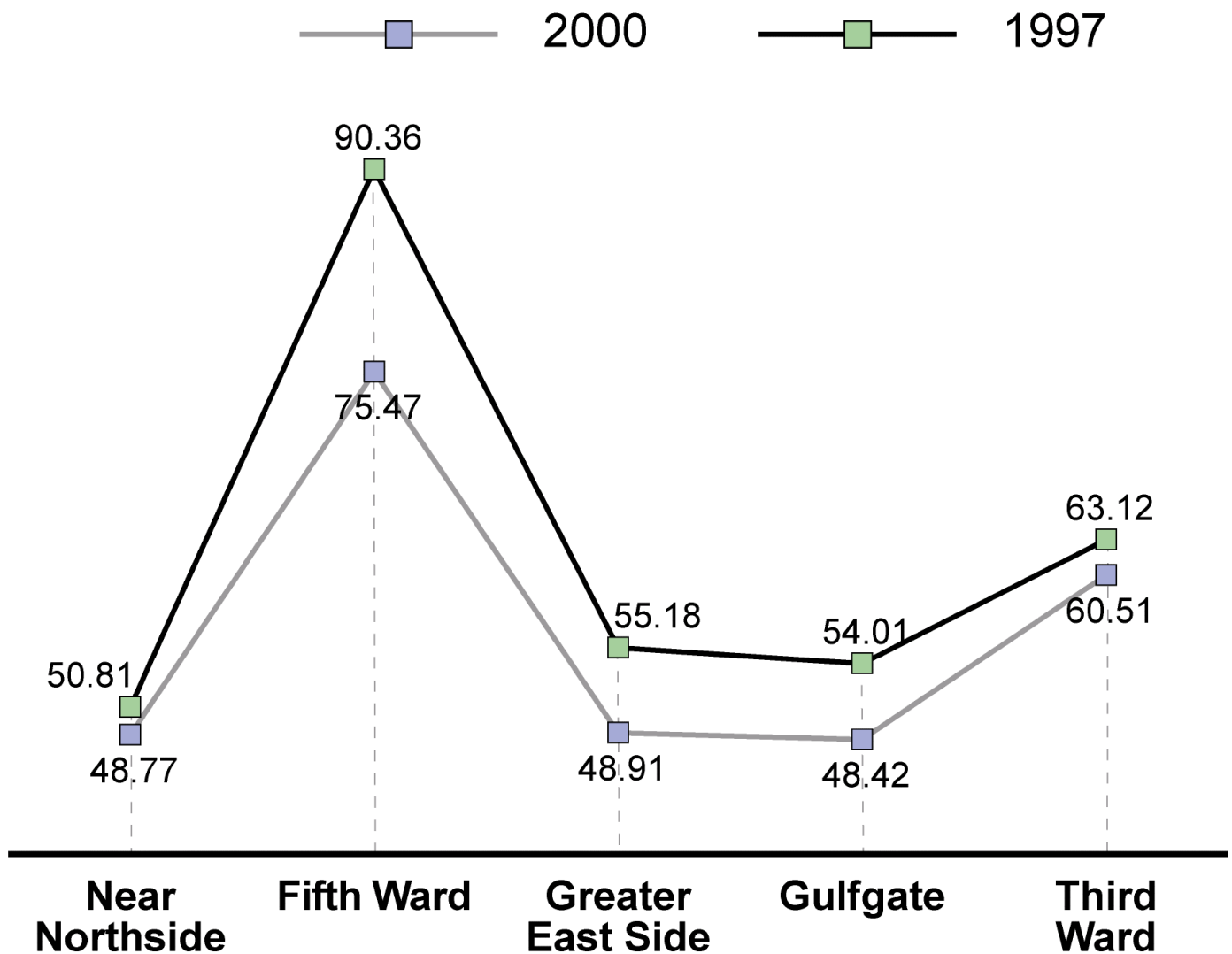
Houston

Owner Occupancy by group



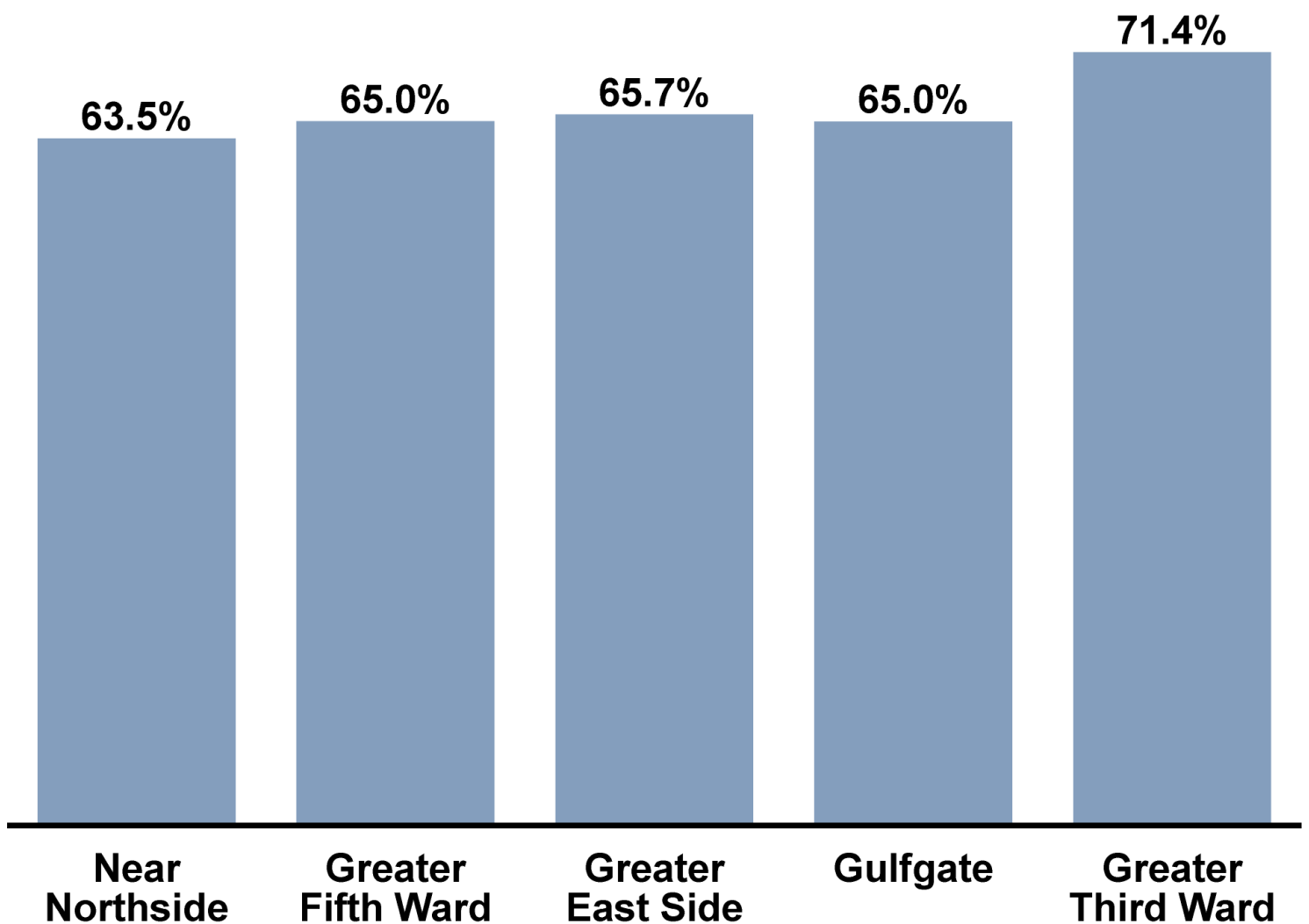
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Total incidents of crime by group (2000 versus 1997)



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Percentage of businesses with history over three years



Houston

Number of businesses in Drill Down Super Neighborhoods

